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EASTERN EUROPEAN INTELLIGENCER

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Yugoslavs Still Campaigning for Mediterranean Conference

Josip Djerdja, the leading Yugoslav proponent of the Mediterranean conference of progressive movements, arrived in Cairo on 4 March for consultations on the meeting. Djerdja will go on to Syria on 7 March.

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COMMENT: Despite reservations about increasingly overt communist control of the conference, which the Yugoslavs wish to portray as a broad anti-imperialist, anti-bloc gathering, Belgrade continues to support the meeting. The Yugoslavs are hedging their participation, however, by maintaining it at the non-party, non-government Socialist Alliance level. The conference currently is slated to be held in Rome at the end of March or beginning of April.

Rumania Awards Steel Contract to West German Consortium

Westinghouse Corporation lost out on the contract for a cold-rolling mill at Galati to a West German consortium. According to a Westinghouse official, his firm attributes the loss to the lower German price and longer credit terms; political considerations may also have played a minor role.

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COMMENT: Bucharest's largest trading partner in the West is Bonn, but Westinghouse was believed to have had an excellent chance of landing the contract.

Hungarians Hope to Export Meat Products to US

The Hungarians have requested US approval of meat product exports to the US. The request claims that three of Hungary's meat packing plants have been improved to correspond with the findings of a report made by a team of US inspectors who visited Hungary in July of last year. The Embassy thinks that a prompt response to the Hungarian request for reinspection of the three plants would undercut Hungarian charges of discrimination against Hungarian exports on political grounds.

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COMMENT: There is little chance that the Hungarians will find a burgeoning market for their meat products in the US since tariffs tend to price Hungarian meat out of the US market. But, if the Hungarians can demonstrate their ability to comply with US inspection standards, they could remove one of the mechanical obstacles to increased trade when they obtain MFN status. It is possible that the Hungarians may use approval by US inspectors to keep up their claims of discrimination; they may point out that their approved products will be inhibited by high US tariffs while Polish hams flow into the US under MFN protection.

Kodak-Yugoslav Firm Form Joint Enterprise

Eastman Kodak and Beogradski Graficki Zavod (Belgrade Graphics Works) are about to sign an agreement for the reproduction and printing of photographs and other material in color. Kodak will provide high-speed equipment and training, Graficki Zavod will furnish the plant space and work force. According to the contract, which will be effective for three years and is renewable for succeeding three-year terms, operations will be carried out under the supervision of a joint management board and profits will be divided 50-50 after operating expenses are met.

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COMMENT: The Kodak-Graficki Zavod agreement will be the first such arrangement since Belgrade liberalized its foreign investment law last July, and is reportedly one of three contracts the Yugoslavs are about to sign with foreign concerns. Kodak's "contribution" of machinery for renewable three-year terms with its return guaranteed upon termination of the arrangement would probably be regarded elsewhere "as a lease contract with profit sharing provisions."

Hungarians and Czechs Agree on Basics of Economic Reform

Reszo Nyers, the Hungarian party expert on economic reform, returned on 29 February from a visit in Czechoslovakia where he held talks with planning chief and deputy premier Oldrich Cernik and party presidium member Lubomir Strougal. According to a 26 February Prague news release, the discussions "showed identity of views on solving the fundamental questions of economic reform in both countries."

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COMMENT: Since Novotny's fall from the party leadership, the Czechoslovaks have been expanding their economic relations with the reformist regimes in Eastern Europe. An agreement was recently signed with Yugoslavia which provided for such innovations as limited hard currency payments and factory to factory contracting. The tone of the Hungarian-Czechoslovak communique suggests that the Czechoslovaks may adopt some Hungarian innovations in an attempt to revive their moribund economic reform.

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Macedonian Official Knocks Bulgarian Nationalism

Greater Bulgarian nationalism was attacked by Vanco Apostolski, a member of the Central Executive Committee of the League of Communists of Macedonia, according to a 2 March article in the Yugoslav daily, Borba. According to Apostolski, Bulgaria is "denying the Macedonian national individuality and adopting a policy of denationalization toward the Macedonian national minority in Pirin Macedonia".

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COMMENT: Apostolski's attack was part of a speech on nationality problems in Yugoslavia, and came on the eve of Bulgaria's celebration of the 90th Anniversary of the Treaty of San Stefano--which momentarily gave Bulgaria all of Macedonia. Belgrade apparently decided to keep the issue "hot" right up to the celebrations, despite continued Bulgarian reluctance to be drawn into open polemics over the issue.

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